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Energy Department Seeks Public Comment on Standby Support Provisions of Energy Policy Act of 2005

Workshop is first step to develop regulation for risk insurance for nuclear plants

WASHINGTON, DC -- The U.S. Department of Energy (DOE) announced today that a workshop to receive public comments on the “standby support” provisions of the Energy Policy Act of 2005 has been scheduled for December 15, 2005. The workshop is the first step in developing a regulation for risk insurance for nuclear power plants and will be held from 8:30 a.m. – 12:00 p.m. and from 1:00 p.m. – 5:00 p.m. at the Marriott Residence Inn in Bethesda, Maryland.

Standby support, or, “risk insurance,” for new nuclear power plants is a key initiative of the Energy Policy Act of 2005. The risk insurance provisions of the Energy Policy Act seek to offer protection against the potentially crippling financial impact of construction and operational delays beyond the control of the plants’ sponsors.

“The availability of risk insurance for the first few new nuclear plants built in the U.S. along with the NP 2010 partnership with industry helps clear the way for construction of the first new plants in over a generation,” said Secretary of Energy Samuel W. Bodman. “The risk insurance provisions in the energy bill are a critical step in laying the foundation for the renaissance of nuclear power in America.”

During the workshop, the department will seek public comment on a range of questions related to the details of the standby support regulation, including identification of the appropriate mix of funding between government appropriations, sponsor payments or combination of both; what constitutes a covered delay; the types of facilities that are covered; and what dispute resolution provisions may be needed to administer standby support contracts. Requests of individuals or entities to speak at the workshop should be made in advance of the meeting. Formal comments will be accepted through December 23, 2005.

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The risk insurance provisions of the Energy Policy Act provide for 100 percent coverage of the cost of delays for the first two new plants, up to \$500 million each, and 50 percent of the cost of delays, up to \$250 million each, for the third through sixth plants. Costs covered under the provision include principal or interest on debt associated with the project or losses experienced by sponsors if they need to buy power to replace the electricity that would have been generated by the nuclear plant whose operation has been delayed.

A Notice of Inquiry will be published in the Federal Register next week. A copy of the Notice of Inquiry and related information materials, including directions to the workshop, are available on the Website (www.nuclear.gov). The record of the workshop, including the transcript from the workshop and comments submitted to the department, will be available for inspection at the DOE Freedom of Information Reading Room at 1000 Independence Avenue, SW, Washington, DC.

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